

## **Exhibit CAM 1 – Cambridge Conversion Notice**

June 1, 2003

Mr. Jeffrey N. Stevens  
Assistant General Counsel  
NSTAR Electric  
800 Boylston St.,  
Boston, MA 02199

Dear Mr. Stevens:

The City of Cambridge hereby provides the notice of the City's intention to convert all of the 3,647 overhead served municipal streetlights in the community to the alternative streetlight tariff authorized by G.L. c 164 s 34A. We have provided a copy of this conversion notice to the Department of Telecommunications and Energy as required by the conversion statute.

### **Purchase Price**

According to the information provided by NSTAR to date, the depreciated book value purchase price of the complete streetlight system in Cambridge as of December 31, 1998 was \$1,817,370. Please provide an update of the depreciated book value, depreciated through the date of this conversion notice, that delineates the portion of this price associated with these 3,647 streetlights from the price associated with the 1,685 underground served streetlights that are excluded from this conversion notice.

We also note that the department has issued an order in DTE 02-11 that impacts one aspect of the company's purchase price calculation. Please provide your updated price in a fashion that takes into account the most recent ruling in DTE 01-11 and explains the impact of that decision on this updated price.

## **License Agreement and Purchase and Sale Agreement**

We have reviewed the terms of the Boston Edison Purchase and Sale Agreement and License Agreement as finally negotiated in other recent conversions. We are assuming that you may choose to use that Boston Edison License Agreement as a starting point for your Cambridge Electric License Agreement. With that assumption in mind, we believe it is possible to interpret certain provisions of your Boston Edison agreement in a fashion that would render those provisions inconsistent with the recent streetlight rulings of the DTE. Obviously, to the extent they are interpreted in a given factual circumstance in a fashion that is inconsistent with prior DTE rulings, any such inconsistent interpretations would be null and void, and the DTE rulings would control.

For the sake of clarity, we have attached to this notice the sections of your Boston Edison License agreements that are of concern, as well as the relevant sections of the recent DTE rulings that are potentially inconsistent. The central issue is the Company's insistence on treating the City as an "attacher" in a pole attachment agreement, rather than as a distribution customer, with the rights to use the mounting surface on the pole afforded by the conversion statute and the right to reliable distribution service with minimum distribution service interruptions associated with the City's status as a distribution customer.

Please provide us with complete copies of the agreements, including any appendices that you would propose to have us execute with respect to this streetlight conversion in Cambridge.

### **Section 34A Tariff**

We are aware of the 2.086 cents per kwh tariff that has been approved as the section 34A alternative tariff in your Boston Edison service territory. We are willing to support an NSTAR tariff filing before the DTE that would propose the identical 2.086 cents per kwh tariff for your Cambridge Electric service territory.

### **Other Issues:**

We are aware of the concessions that you made with in recent conversions in the following areas:

- 1) Dispute resolution concessions regarding DTE 98-76 issues;
- 2) Catch up on the repair backlog associated with streetlight outages;
- 3) Repair credits for streetlights not repaired.

We would like to meet at Cambridge City Hall as soon as possible to review and discuss your updated price and the issues identified above.

## **Other Streetlights**

This conversion notice does not include approximately 1,685 underground served streetlights. We are prepared to amend this conversion notice to include those underground streetlights on three conditions: 1) you agree to provide reliable maps defining the underground wire associated with those streetlights; 2) you agree to update your depreciated book value purchase price through the date of that amended conversion notice; and 3) we can reach an amicable agreement regarding the other issues associated with this streetlight conversion in a timely manner.

## **Schedule**

We are prepared to meet with you, as early as next week, to discuss any of the issues raised by this conversion notice. In light of the 60 day schedule provided in Section 34A for converting to the alternative tariff, we suggest that we meet sooner rather than later. The 60-day schedule is important to the City. Please let us know as soon as possible the date that we can expect to receive your updated price, and the date we can meet to discuss that price and the other issues raised in this notice. In order to allow sufficient time to deal with any issues left unresolved at our first meeting, we request that we meet to review and discuss your updated price and this notice no later than Friday June 20, 2003. Please coordinate any scheduling issues directly with our attorney, Mr. John Shortsleeve, who can be reached at 978-352-9099.

Sincerely,

Robert Healey  
City Manager

Cc: Mary Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station, Second Floor  
Boston, MA 02110

John Shortsleeve, Esq.  
70 Bailey Boulevard  
Haverhill, MA 01830